



GOLF ADVISORY PRACTICE EMA

Golf Benchmark Survey 2007

Summary Report: Benchmark indicators and performance of golf courses in the Europe, Middle East and Africa region

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All regional Golf Benchmark Survey reports and the Europe, Middle East and Africa summary report are available for download at www.golfbenchmark.com.



KPMG would like to express our most sincere gratitude to the sponsors and supporters of the 2007 edition of the Golf Benchmark Survey.



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Dear Reader,



Andrea Sartori

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Europe, Middle East and Africa

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I am delighted to present the second edition of the Summary Report of the Golf Benchmark Survey in the EMA region (Europe, Middle East and Africa).

There was a phenomenal response to the publication of last year's inaugural Survey, sparking an informed debate throughout the international golf business. What has become apparent is that this industry wants and needs a Golf Benchmark Survey in order to take the guesswork out of the golf business.

For this edition of the Survey we have been able to **almost double the sample size** and collate key business performance data from **nearly 1,500 golf courses**, making this year's Golf Benchmark Survey findings even more representative. We would like to highlight that **the differences in size and structure of the regional samples of this year's survey explain some of the differences in findings from the 2006 edition of the Golf Benchmark Survey**.

Besides having added a separate report for the Benelux countries and included the South-East Mediterranean region in our analysis, we have also expanded the reach of the survey beyond the borders of Europe, Middle East and Africa (EMA) to exciting emerging markets for golf development, including the Caribbean and India (although not part of this EMA summary report).

The key objective of the Golf Benchmark Survey remains to allow golf courses to compare their individual operational and financial performances against high, average and low performers in their geographic markets.

Clearly, in performing this survey, we face several challenges which are difficult to overcome. In fact, we are not dealing with hard economic data, a uniform system of information reporting and commonly accepted definitions. Even simple, however critical questions, such as what facilities can be considered golf courses and who can be considered a golfer, do not have a standard answer.

Despite some limitations, we are convinced that we have laid the foundations of a regular survey that, in time, will benefit the golf industry by indicating the key market and operational trends across different geographic regions.

Some key highlights of the Golf Benchmark Survey 2007:

- With approximately 820 members, the membership base of German 18-hole golf clubs is one of the highest in Europe, but still below the 1,000 level surpassed by courses in Norway, Sweden, Spain and South Africa.
- With 33%, golf courses in the Central European region registered the highest share of female members in comparison to all other regions of the Golf Benchmark Survey.
- Golf in the Benelux has become one of the most popular sports in the last decade and the growth in number of registered players has outpaced supply growth, primarily due to a strong increase in demand in the Netherlands.

Golf courses located in the following countries in the EMA region are analyzed in the Golf Benchmark Survey 2007:

Region	Participating countries
Benelux	Belgium, Luxembourg, Netherlands
Central Europe	Austria, Germany, Switzerland
Eastern Europe	Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia
Great Britain & Ireland	Great Britain, Ireland
Northern Europe	Denmark, Finland, Iceland, Norway, Sweden
Western Europe & South-East Mediterranean	France, Italy, Spain, Portugal, Cyprus, Greece, Turkey
Middle East	Bahrain, Saudi Arabia, United Arab Emirates
South Africa	South Africa

- Despite 12.5% growth in the number of affiliated players since last year, demand for golf in Eastern Europe remains relatively low in terms of membership and number of rounds played when compared to other regions. This can be explained, among other factors, by the relatively high pricing of golf in Eastern Europe, which is in line with courses in the Northern European region, despite consumers' significantly weaker spending power.
- Spanish and Portuguese 18-hole golf courses are among the busiest in Europe, with around 30,000 rounds per year on average. However, both countries are out-performed by the Middle East (nearly 42,000) and South Africa (33,400).
- All participating golf courses from the South-East Mediterranean indicated their future business prospects as good or excellent, reflecting the positive sentiment towards the development of golf in these countries.
- Golf courses in South Africa, like the Middle East, have year-round availability and high volumes of play. However, their revenues and operating profits are significantly lower, due largely to their green fees and membership fees being among the lowest across the EMA region.
- In terms of turnover, the most successful 18-hole golf courses in the EMA region are located in the Middle East, achieving average revenue of EUR 5.3 million in 2006, about 3-4 times more than golf courses of the same size in Europe.

Find out more details in the following pages and in the relevant Regional Reports, all of which can be downloaded free of charge from www.golfbenchmark.com.


I would like to take the opportunity to thank all the golf course owners and club managers who participated in the second edition of the Golf Benchmark Survey. Your cooperation is the key to the success of this and future surveys. Thank you for your help.

In addition to the survey participants, I would also like to thank our generous sponsors, without whom it would not have been possible to repeat and further enhance this research.

As initiator and coordinator of the Golf Benchmark Survey, I hope you will find our Regional Reports and the Summary Report both informative and enlightening to support the future operation and development of your golf course.

If you would like to receive any clarification or discuss the survey results, please feel free to contact the Golf Benchmark team or myself.

Yours sincerely,



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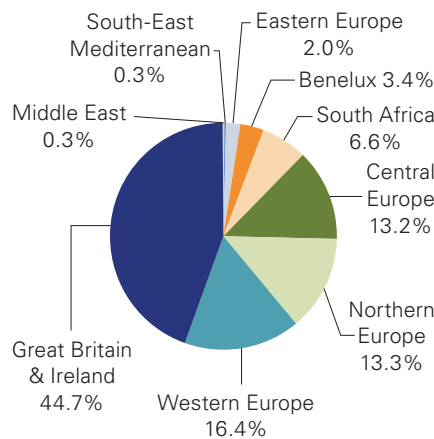


Overview of golf markets in the Europe, Middle East and Africa region

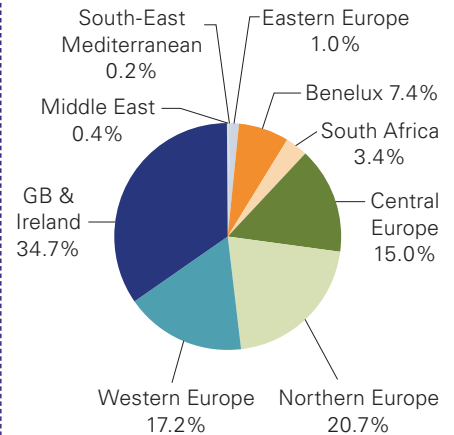
There are now close to 7,000 golf courses and nearly 4.5 million affiliated golfers in Europe, the Middle East and Africa.

Among the surveyed regions, Great Britain and Ireland provides almost half of the supply, followed by Western Europe, Northern Europe and Central Europe with a share between 13.2% and 16.4% of the existing courses. The rest of the analyzed regions have a smaller share of supply.

Distribution of supply (number of golf courses) in the EMA region, 2007



Distribution of demand (registered golfers) in the EMA region, 2007

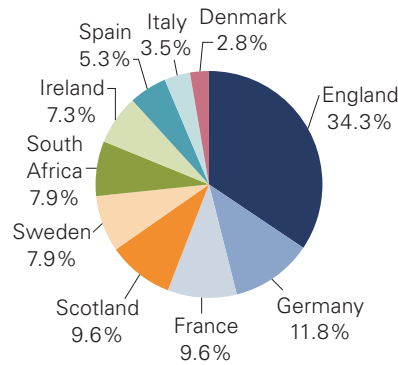


Sources: European Golf Association (EGA), national golf federations and local golf clubs with KPMG elaboration

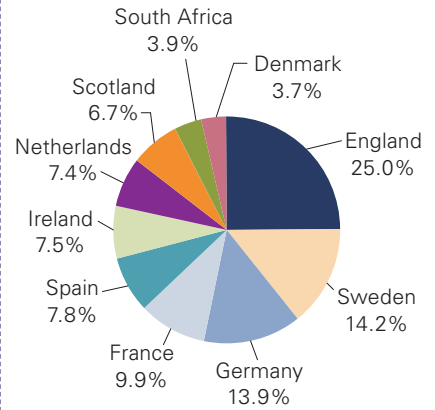
Great Britain and Ireland also boast the highest number of registered players, with more than a third of all golfers in the EMA region. Demand is also strong in Northern Europe where 21% of the EMA's golfers can be found, plus Western Europe (17%) and Central Europe (15%).

It is clear that demand and supply is concentrated in a relatively small number of countries in EMA. **The 10 countries with the most golf courses account for 83% of total supply, while the 10 leading countries with the most registered golfers account for 85% of the total demand** (see charts).

Share of supply among the top 10 providers of golf courses (2007)



Share of demand among the top 10 providers of golfers (2007)



Source: European Golf Association (EGA), national golf federations and local golf clubs with KPMG elaboration

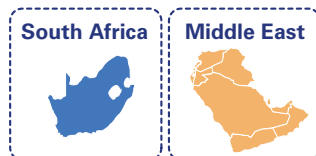
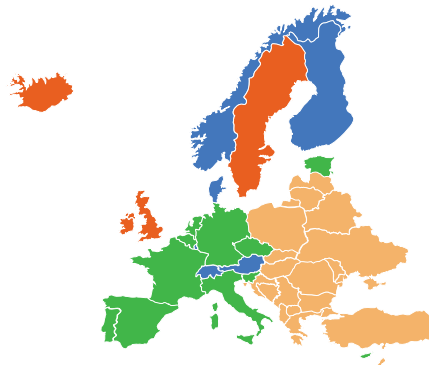
Relatively few countries within the EMA region can lay claim to a well-developed golf market with both good supply and demand.

The following maps indicate the countries with the most and least mature golf markets, according to the size of population per golf course (supply) and the proportion of the population who play golf, known as the participation rate (demand).

Maturity of golf supply and demand in Europe (2007)

Market supply: Population per golf course

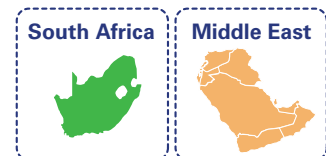
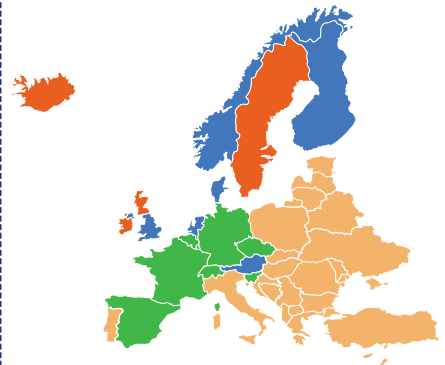
- **mature** ≤ 25,000 people
- **developed** 25,000 – 100,000
- **growing** 100,000 – 300,000
- **infant** > 300,000



Market demand: Participation rate

(affiliated golfers only)

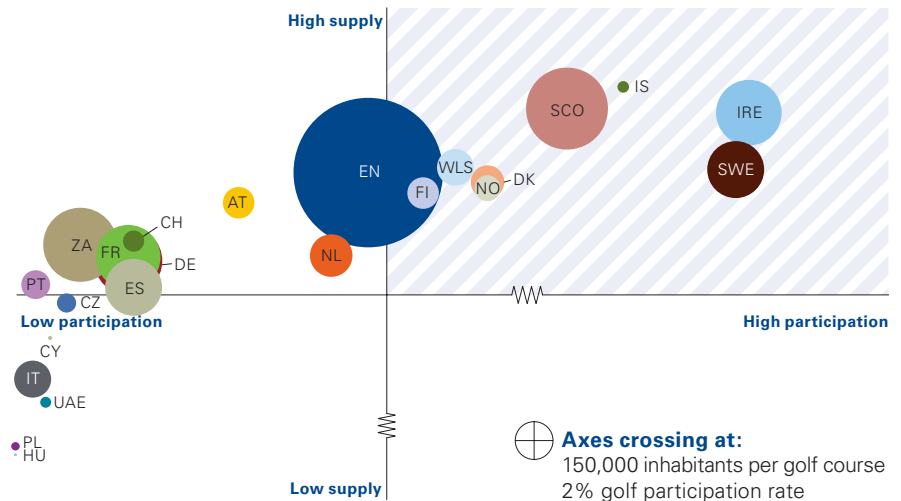
- **mature** ≥ 5%
- **developed** 1% – 5%
- **growing** 0.2% – 1%
- **infant** < 0.2%



Golf is especially popular in Ireland and the Nordic countries, where participation rates are higher than the rest of the EMA region and there are lower numbers of inhabitants per golf course, indicating a high level of supply. Other countries, including Portugal or Italy, also offer relatively good supply compared to their population size. However, the golf participation rate in these countries is still below 0.2%. Golf courses in the Portuguese market and in Turkey, rely on tourism more than local demand.

The matrix below represents the golf supply and local demand in selected countries reflecting also the market size of each golf market expressed in estimated average number of rounds played. The shaded area represents the markets in which the participation rate of the local population exceeds 2% and the number of inhabitants per golf course is below 150,000.

Maturity of selected golf markets from a supply, demand and market size perspective (2007)



Source: Golf Benchmark Survey 2007

Although more than half of the countries analysed have golf markets in infancy or the early stages of development, there are significant numbers of projects in the planning or construction phases, especially in Eastern Europe, the South-East Mediterranean and the Middle East. Fuelled by growing local demand and international golf tourism, the trends are positive, and the expectation is for further development of the golf market in Europe, the Middle East and Africa.

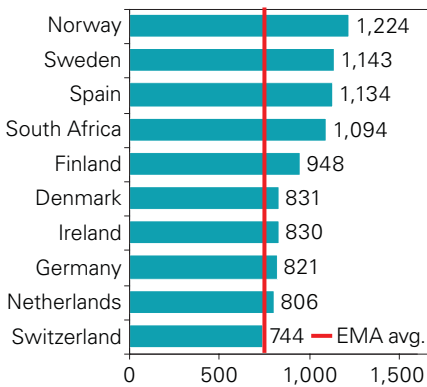
Other key factors contributing to the positive outlook for further growth in the supply and demand for golf in the EMA region include: growing media interest in golf; the growth of disposable income in emerging economies; the increasing ease of travel at reduced costs; increased awareness and understanding by governments of the benefits of golf development and golf tourism.

Demand characteristics

Membership and round information are the key demand indicators of the Golf Benchmark Survey.

Membership

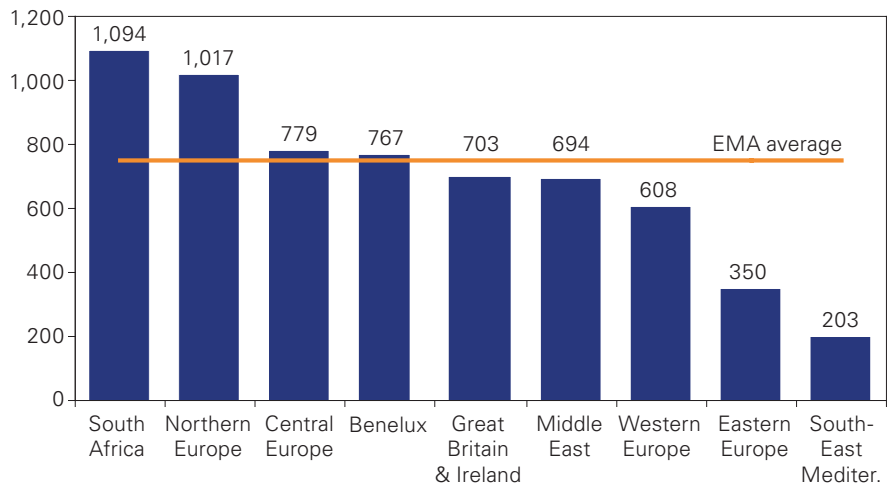
Top 10 countries with the highest average membership at 18-hole golf courses in the EMA region



Source: Golf Benchmark Survey 2007

In Europe, golf in Scandinavia is the most affordable, which also explains why golf clubs in these countries have been able to grow their membership bases significantly. 18-hole golf courses in Northern Europe, Spain and South Africa have the highest number of members in the EMA region, averaging over 1,000 people in most of these countries.

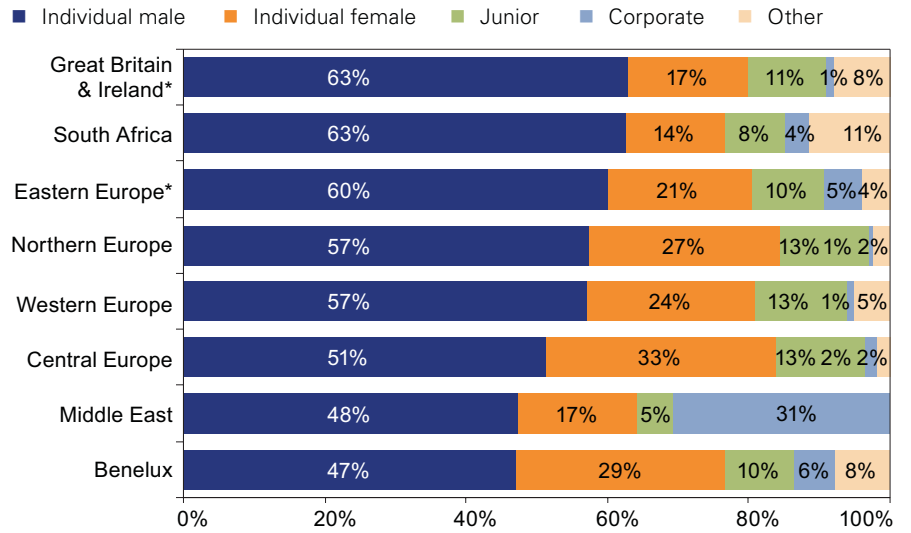
Average number of members of 18-hole golf courses



Source: Golf Benchmark Survey 2007

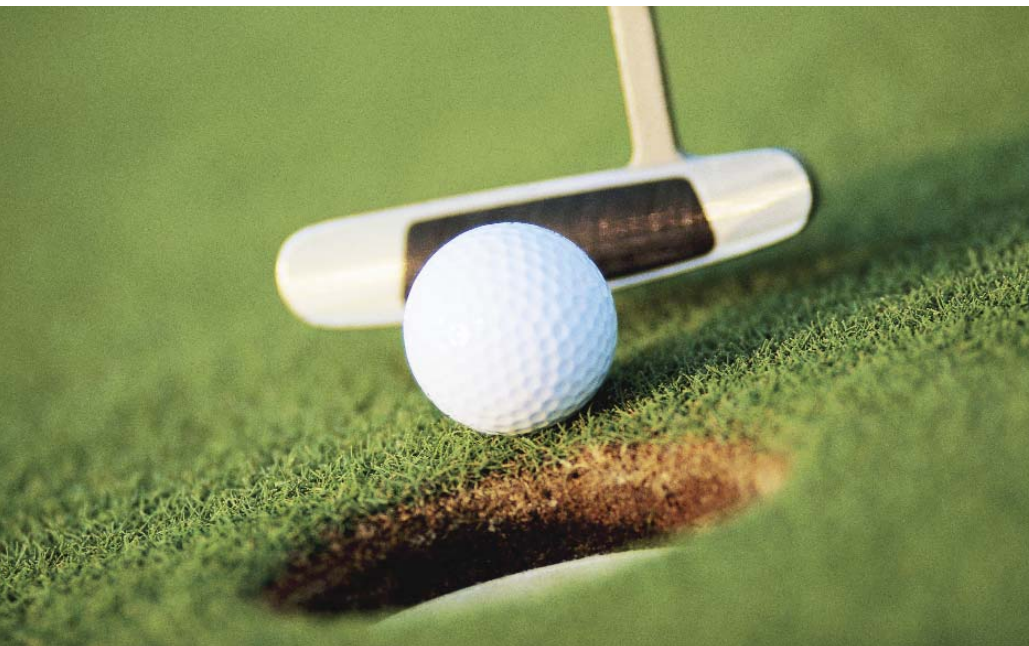
18-hole golf courses in Great Britain & Ireland and South Africa have the highest share of individual male members among all regions (63%). On the other hand, the share of female members is the highest at Central European golf clubs, with about one-third of the total membership base on average.

Membership composition of 18-hole golf courses by region



* All courses

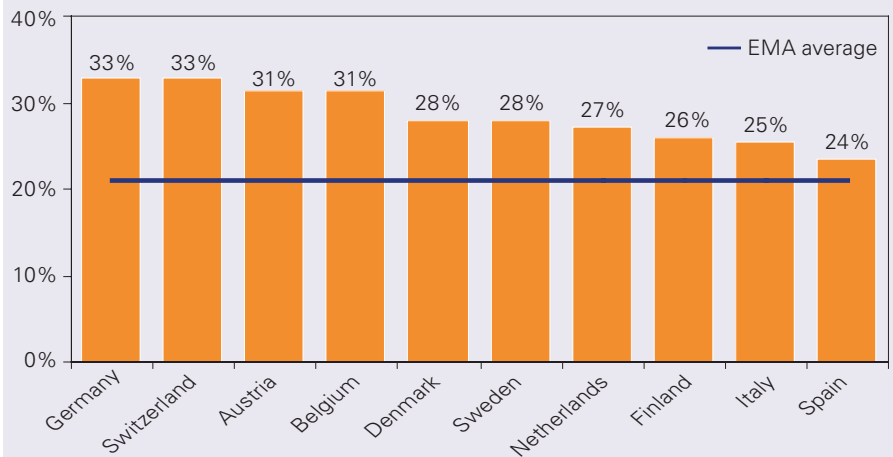
Source: Golf Benchmark Survey 2007



“The best with women”

Based on information received from our survey participants, golf clubs located in the Benelux, Central and Northern Europe regions have a very high share of female members. Golf courses in Germany and Switzerland, where one-third of members are female, top the league.

Top 10 locations of golf clubs with the highest share of female members at 18-hole facilities



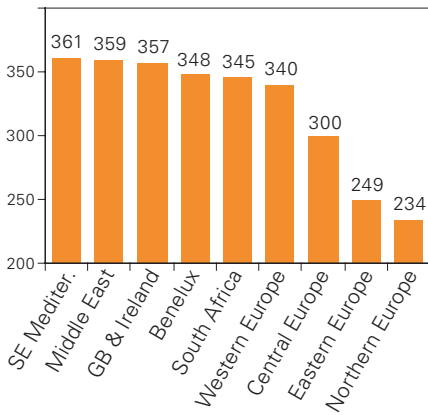
Source: Golf Benchmark Survey 2007

Participating golf courses in Austria (14%), Germany (13%), Sweden (15%) and Spain (16%) reported outstanding junior membership bases compared to those of other countries, indicating a future growth potential of the game in these markets.

It is interesting to note that the female membership base of golf courses in Great Britain and Ireland – the markets with the longest golf history in Europe – is much lower than the European average, approximately 17%. Junior membership in these countries is in line with the EMA regional average, around 11%.

For more information on the **activity of membership** of participating golf clubs in individual countries, please refer to the relevant Regional Reports of the Golf Benchmark Survey 2007.

Average number of declared playable days by region



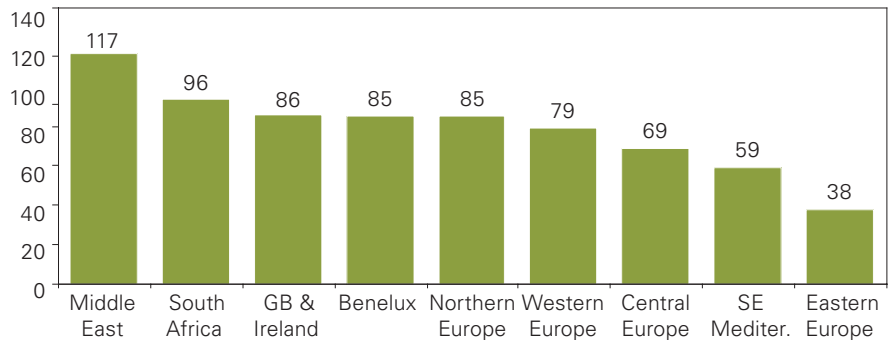
Source: Golf Benchmark Survey 2007

Round information

Demand potential of any golf course is strongly related to the number of playable days. Based on the information received from survey participants, golf courses in South-East Mediterranean Europe, Great Britain and Ireland and in the Middle East have almost year-round playability, whereas courses in Central, Northern and Eastern Europe had between 300 and 235 playable days in 2006.

A good benchmark indicator of demand is the **average number of rounds per playable day**. As the following chart shows 18-hole golf courses in the Middle East and South Africa recorded the highest average number of rounds per playable day (117 and 96 respectively), while Eastern European courses recorded the fewest rounds per playable day (38).

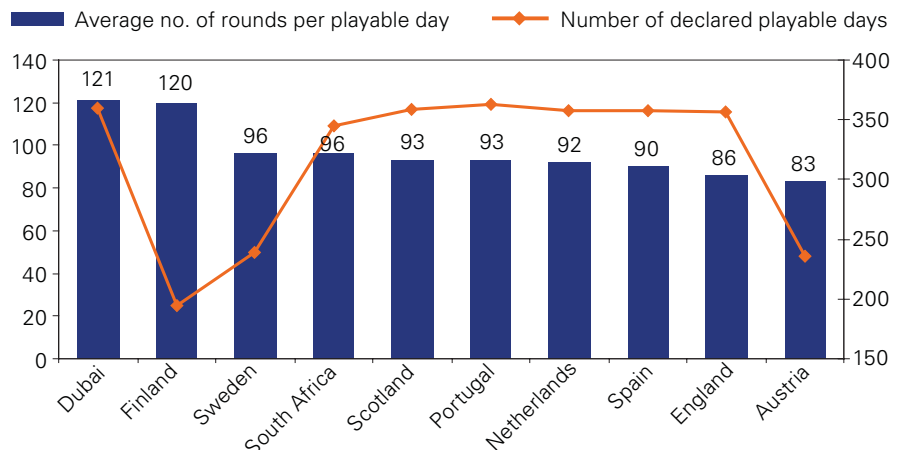
Average number of rounds played per playable day – 18-hole courses



Source: Golf Benchmark Survey 2007

When looking at top performing locations Dubai has the highest number of rounds per playable day, followed by Finland and Sweden. The reader of this report should be aware that despite the fewer playable days in Northern Europe, longer daylight hours during the summer months enable increased playability in these countries.

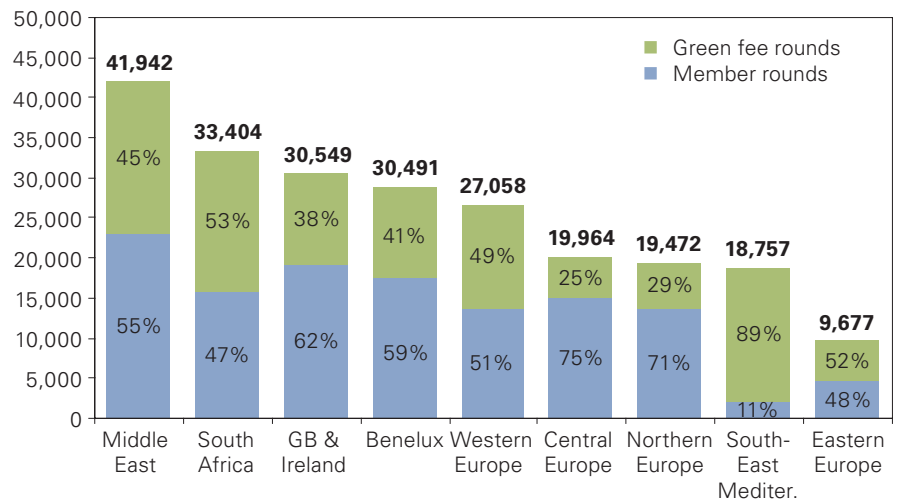
Average number of rounds per playable day at 18-hole golf courses – top 10 locations in the EMA region



Source: Golf Benchmark Survey 2007

Similarly to the previous edition of the Golf Benchmark Survey, 18-hole golf courses in the Middle East recorded the highest average number of total rounds played (nearly 42,000 rounds), while golf courses in South Africa recorded about 20% fewer rounds, yet still well above the averages of other surveyed regions in Europe.

Average number of rounds played on 18-hole courses by region

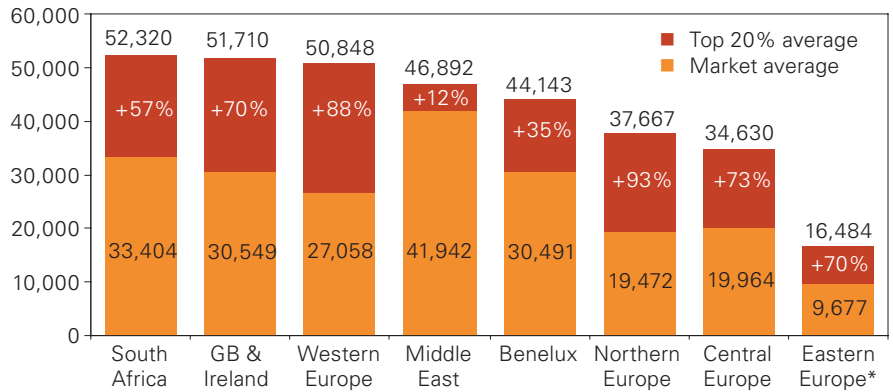


Source: Golf Benchmark Survey 2007

With 75% and 71% respectively, the share of member rounds was the highest in Central and Northern Europe, while golf courses in the South-East Mediterranean recorded the highest share of green fee rounds (89%), which reflects the weight of golf tourism within these countries.

To allow golf courses to benchmark themselves against the average of their performance group, we have calculated the average number of total rounds for the top 20% performers in each surveyed region. The following chart demonstrates that top performing 18-hole golf courses located in Central Europe, Great Britain and Ireland and Western Europe achieved 70-90% more rounds than the average of their regional markets.

Average number of rounds of top performers at 18-hole golf courses vs. regional market averages

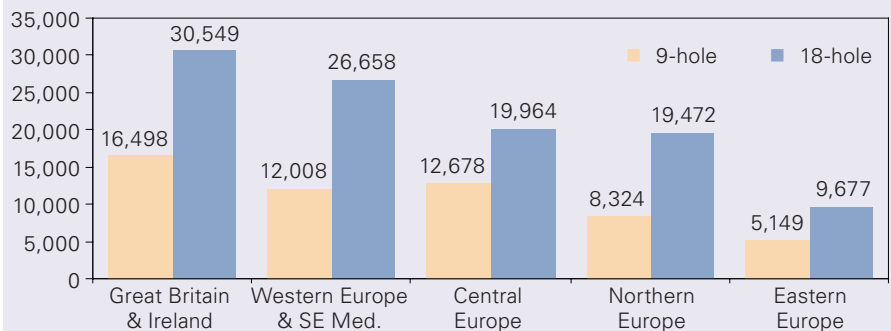


* Average and top 30% performers
 Source: Golf Benchmark Survey 2007

The impact of size on operational performance

The following chart compares the average performance of golf courses by size in selected European regions. As an indication, our research confirms that 9-hole golf courses generated between 45% and 60% of the total rounds achieved by 18-hole golf courses.

Average number of rounds by size of golf courses in selected regions



Source: Golf Benchmark Survey 2007

Based on the analysis of surveyed golf courses, certain performance indicators of 9-hole golf courses (e.g. Revenue per utilized round, staff size etc.) are on average about two-thirds of those of 18-hole golf courses in Northern and Western Europe.

For more information regarding the **performances of 9-hole courses and 27-hole or larger facilities**, please refer to the Regional Reports of the Golf Benchmark Survey 2007.

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Killeen Castle, Ireland



Cap Cana, Dominican Republic



Tselevo Golf and Polo Club, Russia



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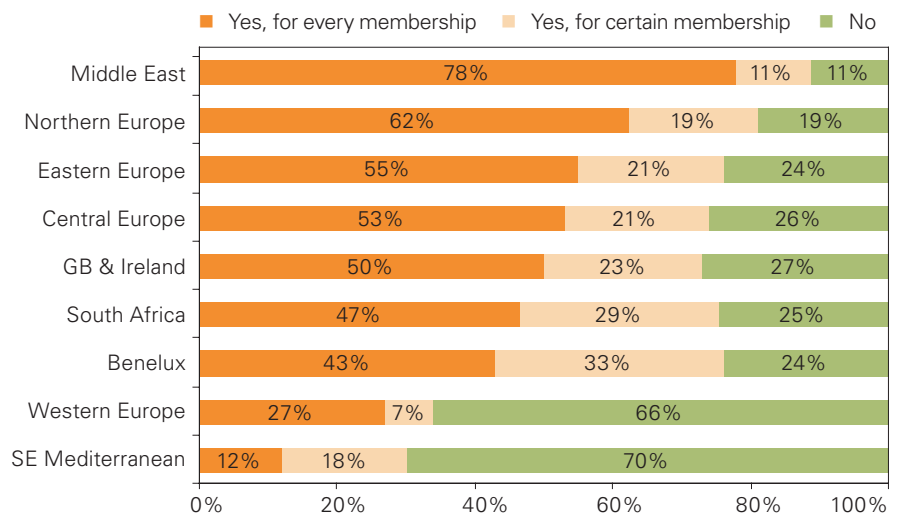
Revenues and costs

This chapter addresses the financial performance of golf courses in terms of pricing, revenues and operating costs, as well as operating profitability.

Pricing

Membership and **pricing schemes** applied by the surveyed golf courses are extremely variable and therefore difficult to compare. Despite this, we noted some common characteristics: e.g. with the exception of Western and South-East Mediterranean Europe, between two-thirds and three-quarters of the participating golf clubs require the payment of a joining fee with all or at least certain types of membership.

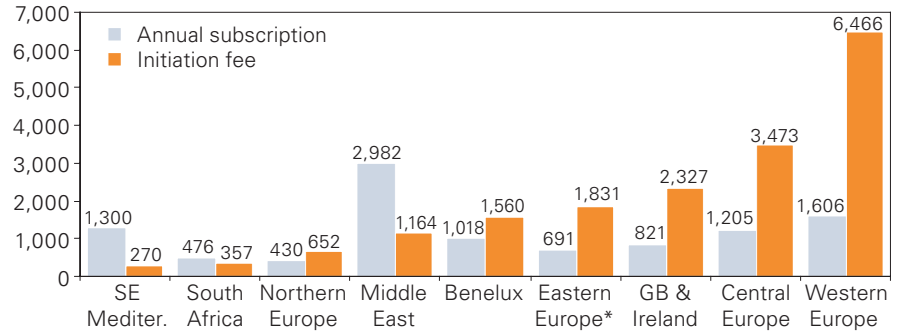
Does your membership scheme require the payment of an initiation fee? – all courses



Source: Golf Benchmark Survey 2007

Joining fees are the highest in Western Europe, while on average courses in the Middle East charge the most for annual membership.

Average membership fees by region (EUR) – 18-hole golf courses

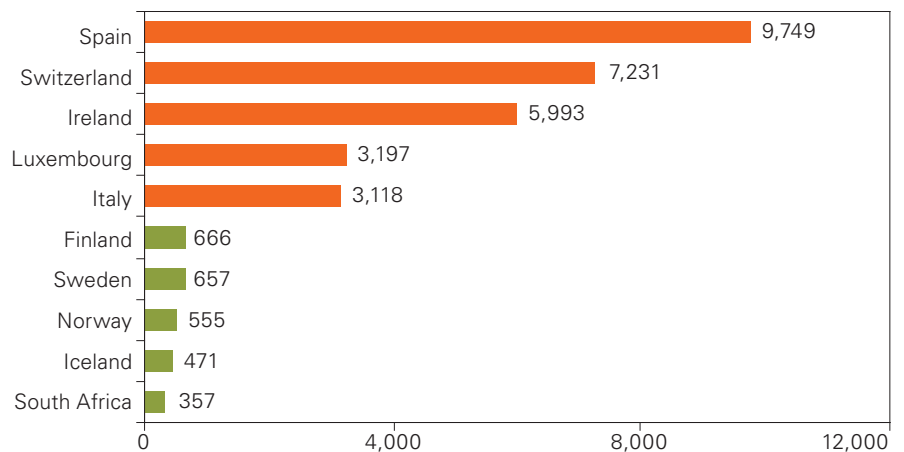


* all courses

Source: Golf Benchmark Survey 2007

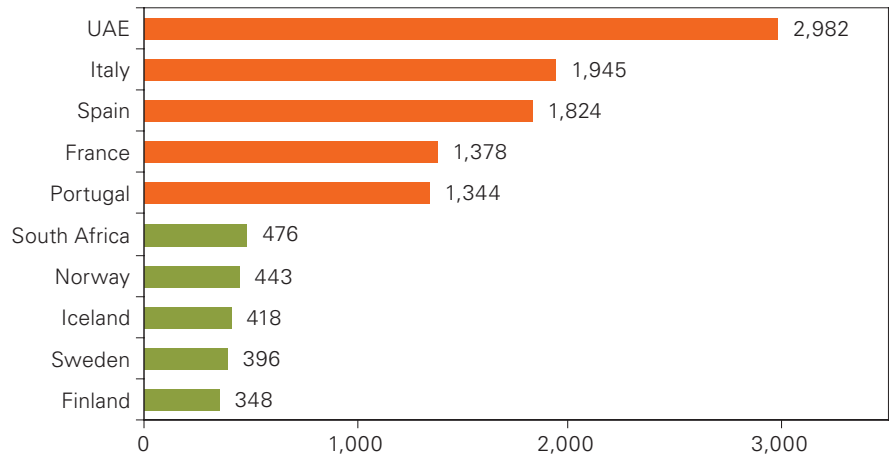
Based on the average **initiation fees** charged by participating golf courses, the most expensive countries are Spain, Switzerland and Ireland (however Luxembourg and Italy also are among the top 5), while courses located in Northern Europe and South Africa are the most affordable. Regarding **annual subscription fees**, golf courses in the United Arab Emirates charge the highest fees while the rest of the countries in the top 5 list are all located in the Western European region. Courses located in Northern Europe and South Africa are also the least expensive when considering annual membership fees. In Northern Europe the low pricing of golf has certainly enabled golf clubs to grow their membership base significantly.

Ranking of countries (top 5 & bottom 5) based on average initiation fees (EUR) – 18-hole courses



Source: Golf Benchmark Survey 2007

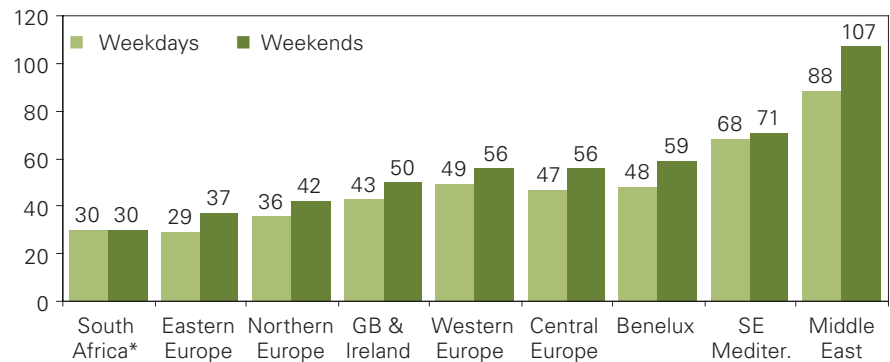
Ranking of countries (top 5 & bottom 5) based on average annual subscription fees (EUR) – 18-hole courses



Source: Golf Benchmark Survey 2007

Looking at another important element of the pricing scheme, green fees, we note that golf courses in the Middle East charge about twice as much for green fees as golf courses in Europe. 18-hole golf courses in South Africa are the cheapest compared to courses in other regions of the Golf Benchmark Survey.

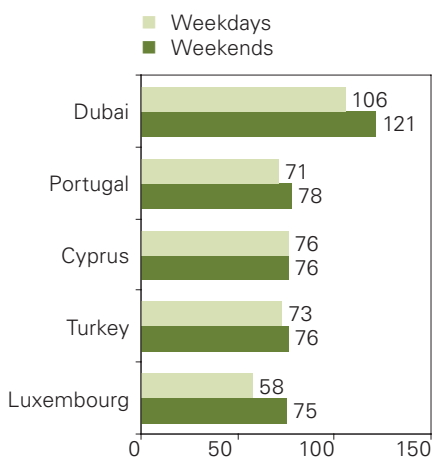
Average green fees (EUR) for 18 holes by region



* for non-affiliated players

Source: Golf Benchmark Survey 2007

Top 5 locations in the EMA region based on average green fees (EUR) for 18 holes



Source: Golf Benchmark Survey 2007

It is interesting to note that – with the exception of Luxembourg – **golf courses charging the highest average green fees are located in countries where the membership bases of golf clubs are relatively low and courses cater primarily to golf tourists** (e.g. United Arab Emirates, Portugal, Cyprus and Turkey).

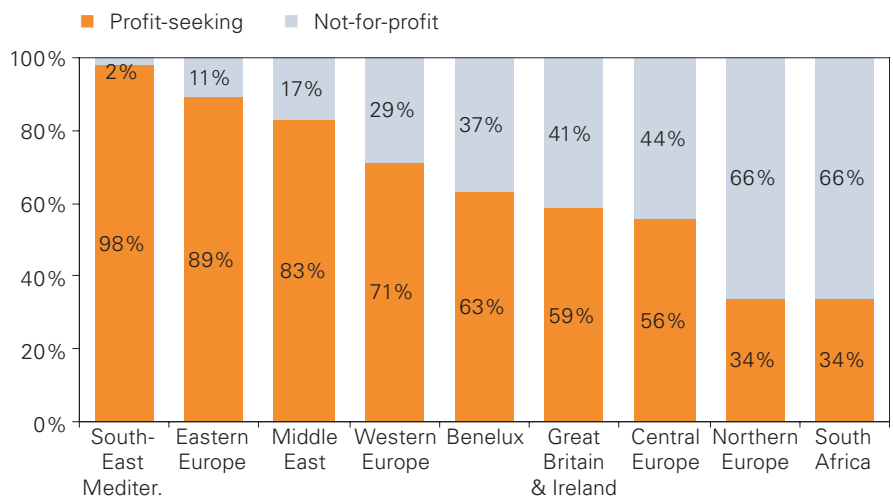
On the other hand, golf courses located in Northern and Eastern Europe as well as in South Africa charge the lowest green fees in the EMA region, between EUR 30-40 on average.

Revenues

Golf course revenues comprise the following main components: membership fees, green fees, revenue from food and beverage (F&B), pro-shop, and others (e.g. sponsorship, lease income etc.).

It is important to highlight that the distribution of for-profit and not-for-profit golf courses in our survey sample varies significantly region by region. This fact has a major impact on profitability expectations in each market.

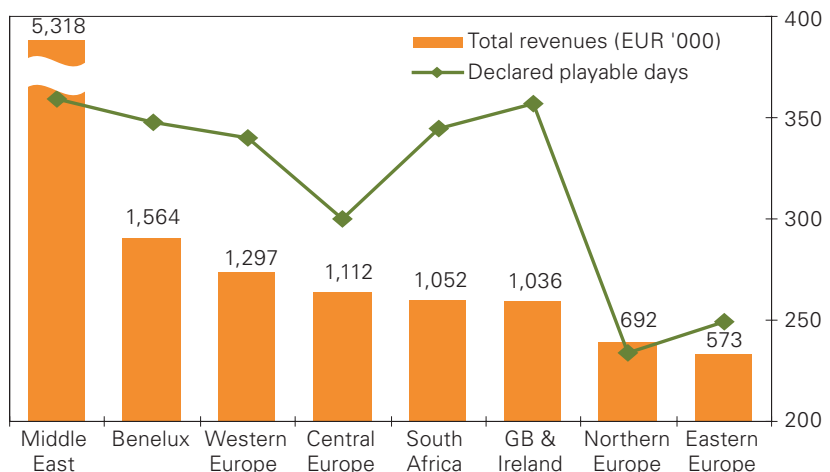
Economic motivation of surveyed golf courses



Source: Golf Benchmark Survey 2007

The average revenues of 18-hole golf courses range between EUR 600,000 and EUR 1.6 million in Europe and South Africa, while golf courses in the Middle East achieved more than EUR 5.3 million on average (i.e. 12% more than last year).

Average revenues of 18-hole golf courses (EUR '000) vs. playable days

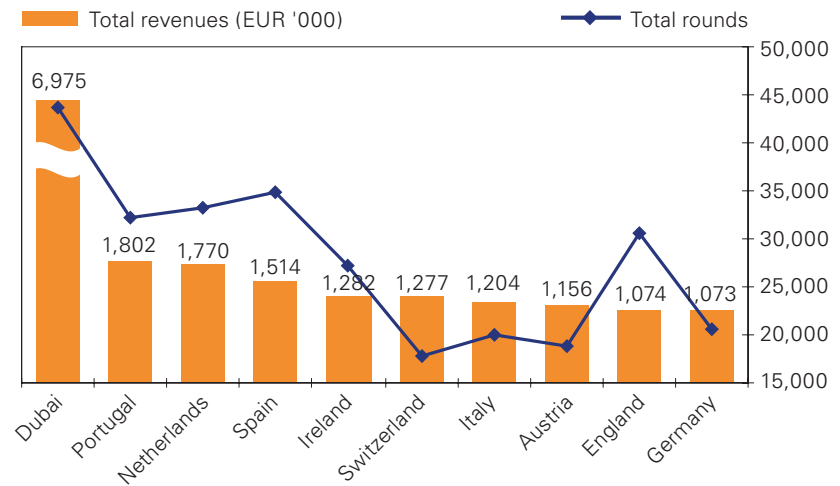


Source: Golf Benchmark Survey 2007

As the chart demonstrates, there is a certain degree of correlation between the length of the golf season and the average revenues generated by golf courses in a specific region. When viewing the chart, it is also important to note that between 41% and 66% of our survey sample for Great Britain and Ireland and South Africa respectively are courses that are run on a not-for-profit basis.

Regarding the geographic location of the best performing golf courses, Dubai is at the top of the ranking, with average revenues four or five times higher than countries that follow in the list of top 10 performing markets.

Top 10 locations in the EMA region based on average revenues of 18-hole golf courses (EUR '000)



Source: Golf Benchmark Survey 2007

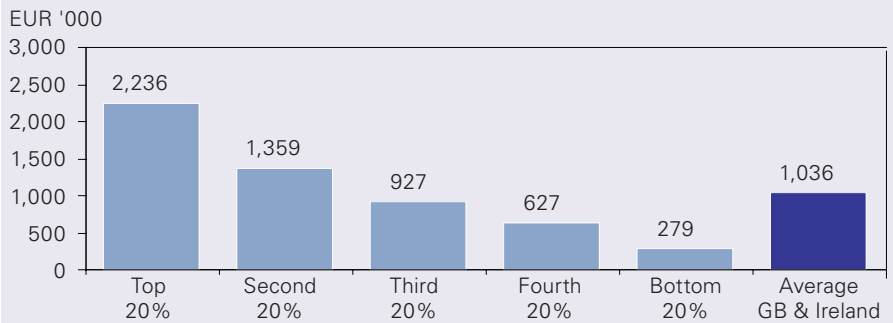


Top and bottom performers: the case of Great Britain and Ireland

To allow golf courses to benchmark themselves against the average of their performance group, we have calculated the average revenues for top performers (and sometimes for bottom performers as well) in most of the regions of the Golf Benchmark Survey.

As the following chart shows, top performing golf courses in Great Britain and Ireland reported average revenues of EUR 2.2 million, more than twice as much as the average of the regional market.

Average revenues (EUR '000) of top and bottom performers in Great Britain and Ireland – 18-hole golf courses



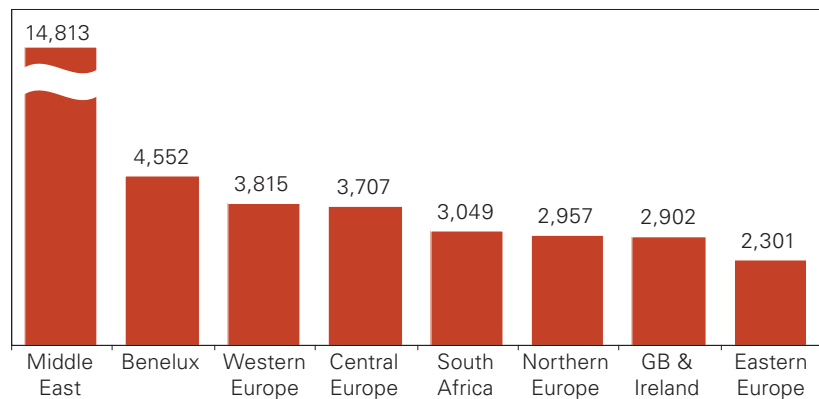
Source: Golf Benchmark Survey 2007

For more information on individual markets and their top performing golf courses, please refer to the Regional Reports of the Golf Benchmark Survey 2007.



When looking at the average revenues per playable day, golf courses in the Middle East achieved almost EUR 15,000 in 2006, while 18-hole facilities in the Benelux (the second in the ranking) generated less than one-third. Based on our survey, Dubai golf courses generated an impressive EUR 20,000 per playable day.

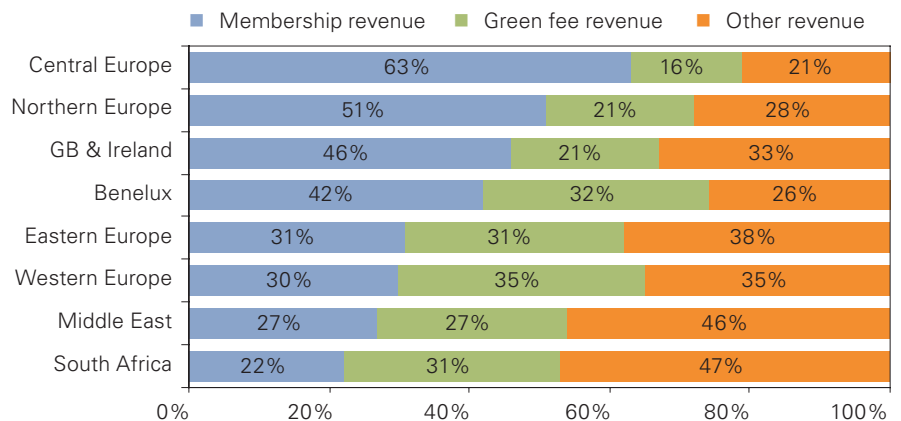
Average revenues per playable day (EUR) – 18-hole golf courses



Source: Golf Benchmark Survey 2007

Comparing the **revenue structure of 18-hole golf courses** in the EMA region, we noted some interesting features of the various locations. Based on our survey sample, golf courses in Central Europe rely mainly on membership fee revenues (with a share of almost two-thirds in their total revenues), whereas golf courses in the Middle East and South Africa have significantly higher shares of green fee and other revenues (about 70-80%). Golf courses in South Africa also have a high proportion of revenues generated from their food and beverage department (approximately 24%), while it is also worth mentioning that almost 90% of participating golf courses in Central Europe outsource F&B activities to external suppliers.

Simplified revenue structure of 18-hole golf courses by region



Source: Golf Benchmark Survey 2007

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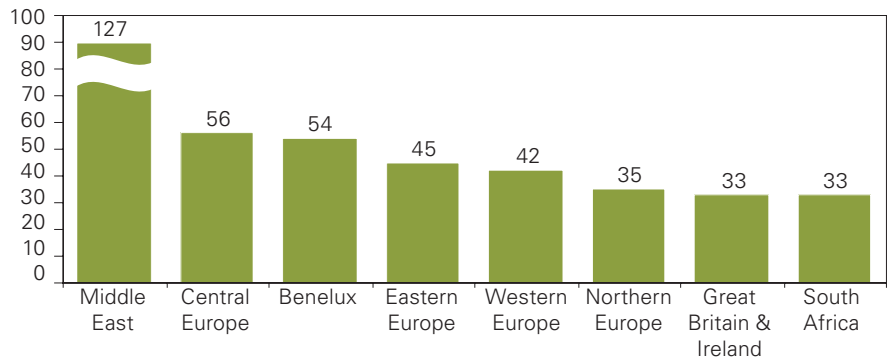
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Revenue per Utilized Round

A good benchmark indicator of operational performance for golf courses is the revenue per utilized round (RevPUR), which represents the value of total services sold in relationship with one round played. 18-hole golf courses in the Middle East achieved an average RevPUR of EUR 127, more than twice as much as golf courses of the same size in Central Europe, the second in the ranking.

Revenue per utilized round at 18-hole golf courses by region (EUR)

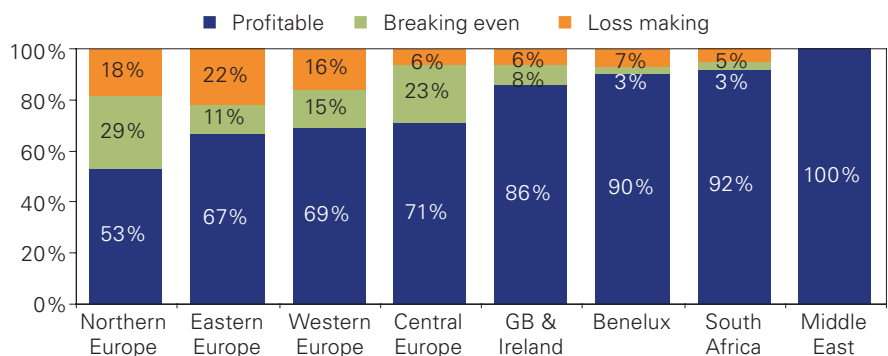


Source: Golf Benchmark Survey 2007

Operating costs and profitability

Operating costs, including staff costs and maintenance costs, may vary significantly by size, by quality standards and by location of the golf courses. The following chart compares the profitability¹ levels of golf courses participating in the Golf Benchmark Survey 2007.

Profitability of participating golf courses by region – all courses



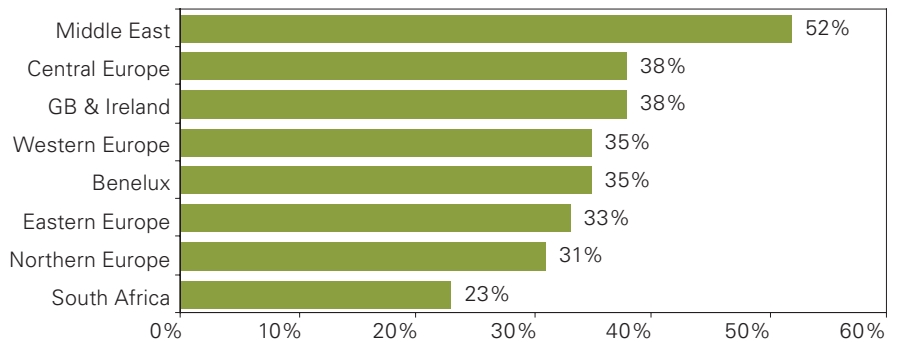
Source: Golf Benchmark Survey 2007

¹ Note: We considered as profitable those golf courses where total revenues exceeded gross operating costs, excluding financial charges, depreciation and taxation.

It is interesting to note the 92% profitability of South African courses, considering the fact that two-thirds of them (as in the case of Northern Europe) declared to be run on a not-for-profit basis.

Salary costs make up a relatively high share of operating costs of 18-hole golf courses, ranging between 30-40% in Europe. Participating golf courses in the Middle East reported approximately 52% salary costs on average as share of their total costs. It is worth mentioning though that these golf courses employ 10-12 times more people than courses in Europe.

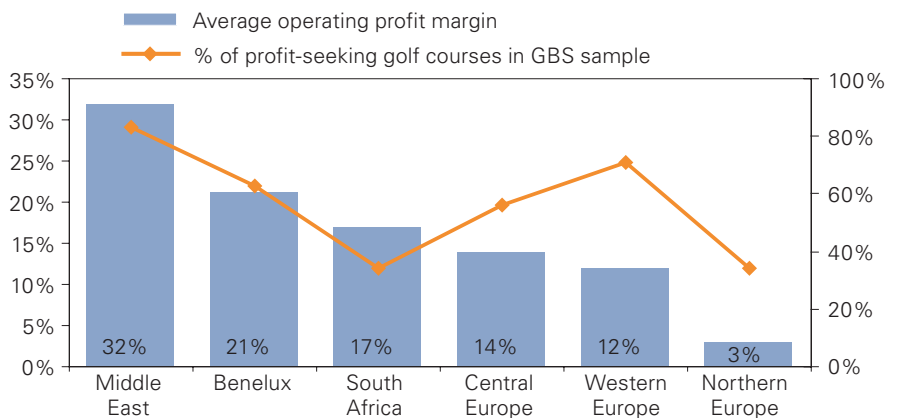
Salary costs as % of total costs by region – 18-hole courses



Source: Golf Benchmark Survey 2007

In terms of profitability, the most successful golf courses are located in the Middle East, achieving approximately 32% operating profit margin on average. Once again, in analyzing profitability margins, we must highlight that the share of golf courses operating on a profit-seeking basis varies significantly region by region in our survey sample.

Average operating profit margin vs. economic motivation of 18-hole golf courses in selected regions



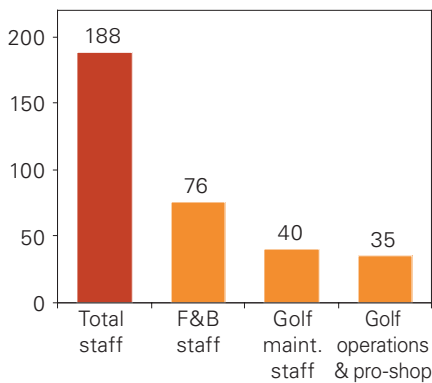
Source: Golf Benchmark Survey 2007

Other operating characteristics

Staffing, size of cart fleet and outsourcing are the topics covered in this section of the report.

Staffing

Staffing of 18-hole courses in the Middle East



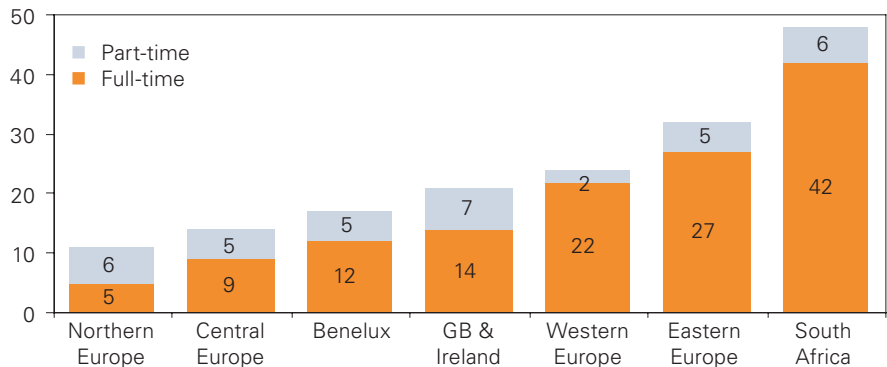
Source: Golf Benchmark Survey 2007

18-hole golf courses in Northern Europe have the smallest staff size throughout the EMA region (about 11 people). However, many golf courses in this region operate with a relevant proportion of voluntary staff provided by club members.

The average size of full-time staff at Western and Eastern European golf courses is between 20-30 people, the highest in Europe.

Golf courses in the Middle East and South Africa employ significantly more staff than courses in other regions, which can be explained by the lower level of salaries in these countries but also by the more service-oriented approach of their facilities.

Average number of staff of 18-hole golf courses in selected regions



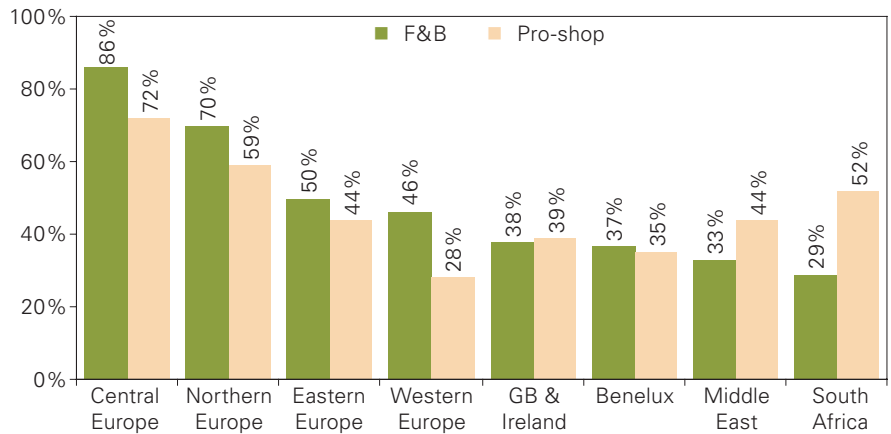
Source: Golf Benchmark Survey 2007

Outsourcing

Several golf courses outsource certain activities to external suppliers, e.g. food and beverage, pro-shop, golf academy or golf maintenance.

The chart below compares the level of outsourcing of F&B and pro-shop activities at surveyed golf courses in different regions. As mentioned earlier, **differences in the level of outsourcing also affect the simplified revenue structure of golf courses by region.**

Level of outsourcing at 18-hole golf courses by region



Source: Golf Benchmark Survey 2007

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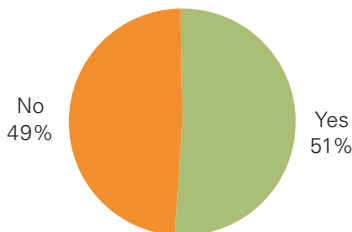


Count on it.

Future market outlook

Similarly to the first edition of the Golf Benchmark Survey, this year we have also explored the future plans of golf course owners and operators with respect to capital investments, improvements and their future business performance expectations.

Are you planning any capital investments, refurbishments in 2007? – all courses



Source: Golf Benchmark Survey 2007

Capital investments

Approximately 51% of the surveyed golf courses were planning capital investments or refurbishments in 2007. **This share is significantly higher at golf clubs operating 27-hole or larger facilities throughout the EMA region.**

Similarly to last year, the majority of golf clubs planning capital expenditure in 2007 were planning to upgrade their golf courses.

Other investment plans mentioned by surveyed golf courses included:

- Upgrading or re-constructing club house
- Golf course expansion
- Replacement of course maintenance machinery
- Replacement or improvement of irrigation system
- Purchase of new machinery.

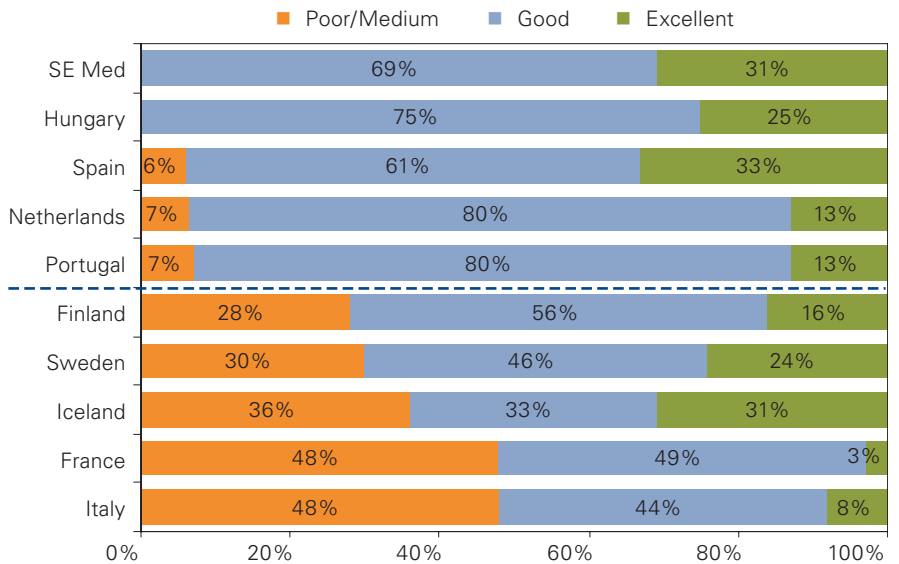
The average planned investments vary by location, by quality and size of the golf course. For example about 44% of those golf courses in Central Europe that were planning capital investments allocated an average budget of approximately EUR 120,000 for upgrading their golf course. At the same time Western European golf clubs allocated over EUR 1.3 million for the same purposes. The research also indicates that throughout the EMA region the average investment budget for replacing course maintenance machinery ranged from EUR 65,000 up to EUR 180,000.

For more details, please refer to the individual Regional Reports.

Expected future business performance

Approximately 70% of the participating golf courses in the EMA region see their future business prospects as either good or excellent. It is interesting to note that clubs located in the South-East Mediterranean and Hungary are the most optimistic, with none of the surveyed facilities expecting average or poor performance results. Spanish, Dutch and Portuguese courses also foresee a bright business future for their operations. On the other hand, almost half of the surveyed golf courses in Italy and France anticipate medium or poor performances for the coming years, possibly reflecting the less-than-positive status of their overall economies.

Selection of most optimistic and least optimistic countries regarding the future business performance at golf clubs



Source: Golf Benchmark Survey 2007



Summary of key performance indicators

The following table summarizes the average performance indicators of **18-hole golf courses** in the nine regions of the Golf Benchmark Survey 2007.

18-hole courses	Benelux	Central Europe	Eastern Europe	GB & Ireland	Northern Europe	Western Europe	SE Med	Middle East	South Africa
Playable days	348	300	249	357	234	340	361	359	345
Demand									
Members	767	779	350	703	1,017	608	203	694	1,094
Total rounds	30,491	19,964	9,677	30,549	19,472	26,556	18,757	41,942	33,404
% of green fee rounds	41%	25%	52%	38%	29%	49%	89%	45%	53%
Pricing (EUR)									
Initiation fee	1,560	3,473	1,831	2,327	652	6,466	270	1,164	357
Annual subscription fee	1,018	1,205	691	821	430	1,606	1,300	2,982	476
Green fee									
Weekdays	48	47	29	43	36	49	68	88	30*
Weekends	59	56	37	50	42	56	71	107	30*
Financial performances (EUR)									
Revenues ('000 EUR)	1,564	1,112	573	1,036	692	1,297	n.a.	5,318	1,052
Revenue per utilized round (RevPUR)	54	56	45	33	35	42	n.a.	127	33
Other operating characteristics									
Staff per course	17	14	32	21	11	24	n.a.	188	48
Expected future business performance									
Excellent or good %	91%	85%	77%	84%	77%	73%	100%	88%	86%
Average or poor %	8%	15%	23%	16%	23%	27%	0%	12%	14%

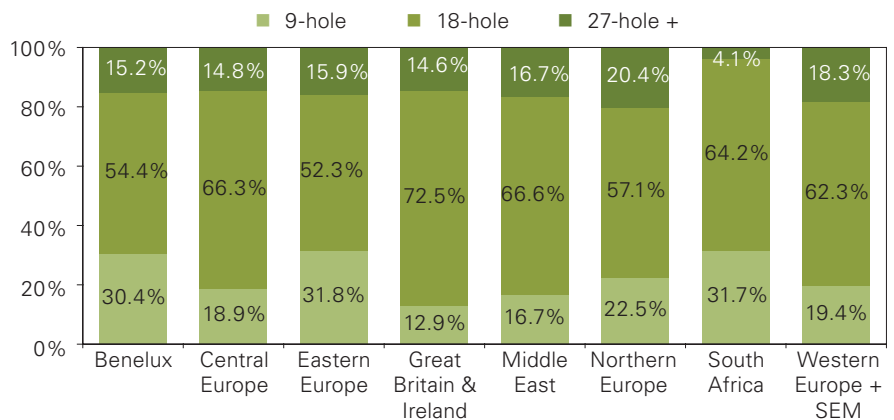
n.a. = data not available

** for non-affiliated players*

Methodology of the Golf Benchmark Survey 2007

Almost 1,500 golf courses from 35 countries in Europe, the Middle East and Africa completed the 2007 Golf Benchmark questionnaire. Approximately two-thirds of the participating golf courses were 18-hole facilities, while 9-hole and 27-hole or larger courses made up around 15% each. The following chart demonstrates the regional distribution of the surveyed golf courses by size.

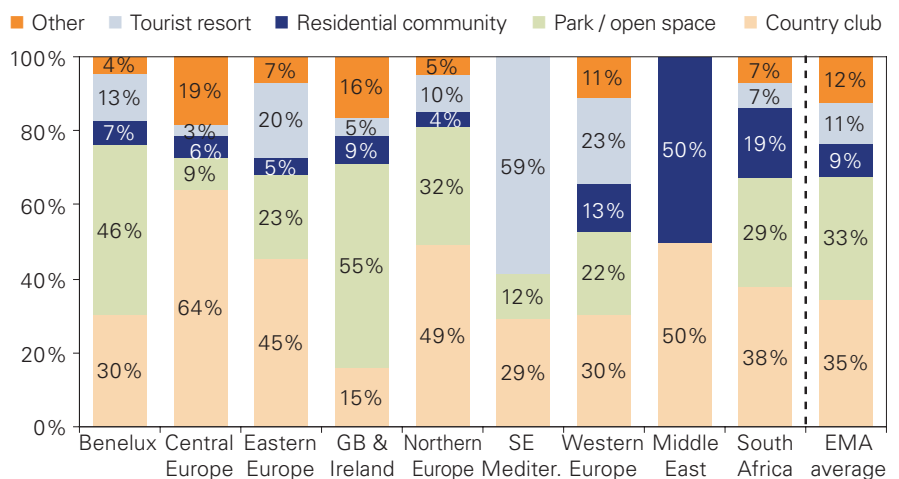
Distribution of golf courses by size



Source: Golf Benchmark Survey 2007

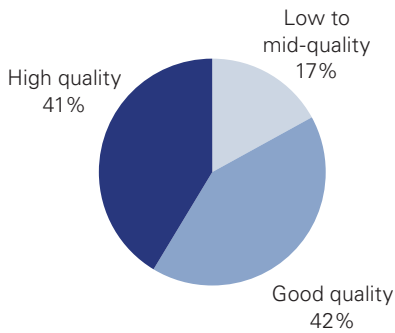
Concerning location, a significant share of golf courses located in South-Mediterranean Europe, Western Europe (especially Portugal) and in the Middle East are part of a golf resort and/or residential communities, while others have most of their golf courses in country clubs or parks/open space (e.g. Northern Europe and Central Europe).

Distribution of golf courses by location

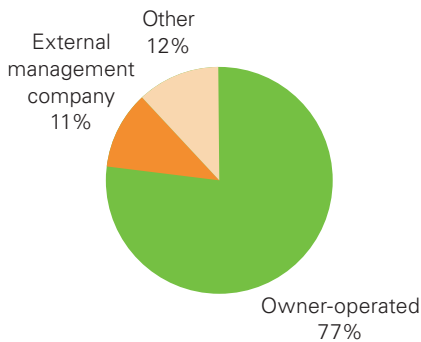


Source: Golf Benchmark Survey 2007

Distribution of golf courses by quality



...by operating entity



Source: Golf Benchmark Survey 2007

We asked participants to assess the quality level of their courses according to grades ranging from top quality to low quality². High-end and good quality golf courses comprise the majority of our sample (41% and 42% respectively), while mid-quality and lower-end courses made up about 17% of the sample.

Reflecting the high fragmentation of the industry, more than three-quarters of the courses in our sample (about 77%) are owner-operated, while only 11% are run by an external management company. The remaining 12% are operated by other entities, e.g. sport associations, universities or member committees.

Methodological note and survey limitations

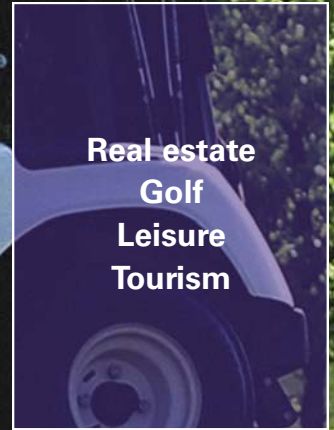
The analysis presented in this report has been performed based on the responses of participating golf courses in the Golf Benchmark Survey 2007. Requested information mainly relates to the 2006 operating year.

Financial data was submitted in the home currency of the respective countries and for the purpose of the GBS Summary Report was converted into EUR at yearly average exchange rates of 2006. Respondents were requested to present all pricing-related information and financial data net of VAT or any other applicable taxes.

We wish to highlight the following limiting factors of the survey:

- In the case of financial information some cross tabulations may be considered indicative but not representative of the market due to a lower number of responses.
- The lack of commonly accepted terminology related to golf course operation, the inconsistency of national statistics, and the lack of a uniform system of accounts for golf courses are constraints we could not overcome and which make comparisons even more difficult.
- The rounding of decimal figures may lead to some discrepancies when computing input data.
- Some of the differences of this year’s survey results compared to findings of the Golf Benchmark Survey 2006 can be explained by the different size and structure of this year’s survey sample in most of the regions.

² The reader of this report should be aware that we expect golf courses to assess their quality in comparison with their competitors in the same country or region, rather than on an international basis.



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KPMG's Golf Advisory Practice possesses in-depth know-how and experience of the business side of the golf industry. We provide professional services to developers of new golf courses across Europe, Middle East and Africa, particularly for those courses included in integrated real estate developments and tourist resorts.

We have also assisted tourism institutions with their golf development strategies and helped numerous owners and operators of existing golf courses in becoming operationally more efficient in an increasingly competitive market place.

In addition, we are the organizers of the annual Golf Business Forum (golfbusinessforum.com), and have initiated numerous studies which provide valuable benchmark information to the industry.

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